

HF
2611
S36w

Inst. Indus.
Relations

A
A
0
0
1
0
0
8
2
1
4
7



UC SOUTHERN REGIONAL LIBRARY FACILITY

Schoenhof

Wages and trade



THE LIBRARY
OF
THE UNIVERSITY
OF CALIFORNIA
LOS ANGELES

WAGES AND TRADE

IN

Manufacturing Industries

IN

AMERICA AND IN EUROPE

BY

J. SCHOENHOF

AUTHOR OF "WOOL AND WOOLLENS," AND OF "THE DESTRUCTIVE INFLUENCE OF THE TARIFF"

WITH AN INTRODUCTION BY R. R. BOWKER



NEW YORK

PUBLISHED FOR THE

NEW YORK FREE-TRADE CLUB

BY G. P. PUTNAM'S SONS

27 & 29 WEST 23D STREET

1884

QUESTIONS OF THE DAY.—NO. X.

The Destructive Influence of the Tariff upon Manufacture and Commerce, and the Figures and Facts Relating Thereto. By J. SCHOENHOF. 12mo cloth, 75c.; paper, 40c.

"He states his case clearly, and his argument is well fortified with figures and worthy of attention."—*Globe Democrat*, St. Louis.

"Both friends and opponents of his doctrine will find the slender volume a useful book of reference, owing to the admirably arranged tables and statistics."—*Picayune*, New Orleans.

"Mr. Schoenhof brings forward 'figures and facts' that will be of interest and value even to those who disagree with his conclusions. His appendixes, in particular, group data not easily to be had elsewhere."—*Star*, New York.

"As an argument it is absolutely conclusive. * * * We say emphatically of the whole pamphlet, read, mark, learn, and inwardly digest it."—*Literary Churchman*.

"Packed with well-arranged figures and condensed arguments."—*Nation*.

"We recommend the book to all who are interested in this great question of the day."—*News and Courier*, Charleston.

"Books of this kind cannot be too widely distributed and carefully read, and not only read but thoroughly studied."—*Times*, Kansas City.

"An able presentation of the anti-protection argument. * * * It is well to read it and get a clear idea of the free-traders' case."—*Times*, Troy.

"These figures * * * ought not to be hastily thrown aside. * * * We cordially welcome to the literature of political economy this brochure of Mr. Schoenhof."—*Post*, Hartford.

G. P. PUTNAM'S SONS, New York and London.

WAGES AND TRADE

IN

Manufacturing Industries

IN

AMERICA AND IN EUROPE

BY

J. SCHOENHOF

AUTHOR OF "WOOL AND WOOLLENS," AND OF "THE DESTRUCTIVE INFLUENCE OF THE TARIFF"

WITH AN INTRODUCTION BY R. R. BOWKER

NEW YORK

PUBLISHED FOR THE

NEW YORK FREE-TRADE CLUB

BY G. P. PUTNAM'S SONS

27 & 29 WEST 23D STREET

1884

Press of
G. P. Putnam's Sons
New York

HF
2611
53615

INTRODUCTION.

The question of labor and wages is the one question which ought most to concern American economists and American statesmen. For the great body of our seventeen million male workers are wage-earners averaging less than \$400 per year; and "the greatest good of the greatest number" is the purpose of the American nation.

The protectionists have claimed that a protective tariff raises wages. This is the "last ditch" of their argument. There began to be doubt about the truth of this claim. Consequently the New York *Tribune*, the organ of the protectionists, sent a special correspondent to Europe to obtain evidence in support of it. Mr. Robert P. Porter, who had been special agent of the Census as to statistics of wealth and secretary of the Tariff Commission, was secured for this purpose.

Mr. Porter did what he was sent to do. He presented a picture of the distress of England under free trade and of the prosperity of France and Germany under a protective tariff that was most of a surprise to those who knew most of those countries.

But if a European traveller should to-day visit the cotton-mills of Connecticut and inquire how much women earn there; investigate the tenement-houses of New York and the making of cigars and artificial flowers; look into the Alaska St. slums of Philadelphia, and finally ask in Altoona and Pittsburg and other centres of "protective" industries, in which the vestiges of the riots of 1877 are still to be seen, how many mills are shut down, and how many hands are out of work, and how much the rest are earning, he could easily convince foreigners that democracy is a failure and the United States the unhappiest of nations.

"A lie which is all a lie can be met and fought with outright,
But a lie that is part a truth is a harder matter to fight."

To meet these part-truths of Mr. Porter's, Mr. J. Schoenhof, whose papers on "The Destructive Influence of the Tariff on Manufacture and Commerce" have won deserved attention, was asked to show the other side of the case. This he has done by the statistics and facts now gathered together in these pages.

There is nothing more difficult than for the fair-minded economist to obtain absolutely certain comparisons of wages. Differences in hours of labor, in the purchasing power of money, in neighborhood and circumstance, in the division of labor in the same trades, in the modes of production, in the use of machinery, are a few of the confusing elements. Mr. Schoenhof, a citizen of the United States, a native of Germany, a merchant in and manufacturer of woollen goods, an employer of labor, a student of economics and of industrial conditions, is, however, well qualified to obtain the actual facts, and he carefully gives the authorities for his tables. Mr. Porter has in some cases done the same; in other cases it is evident that a careful selection of fields of inquiry supplied *data* such as he desired.

The general truth underlying the specific truths and half-truths brought forward by these two witnesses is, as discerned by free-trade economists, that wages are higher but product cheaper in free-trade England than in protected France and Germany; and that wages are in some cases lower, in others the same, in most happily higher, but product dearer (where raw materials are taxed, though cheaper where they are not taxed) in the United States than in England or any other country. I may add one striking confirmation of the principle that wages may become higher as prices become lower. More than a generation ago, in Plymouth Co., Mass., the tack-makers were paid from 2 to 3 cents per thousand, and earned \$1.25 to \$1.50 per day; the men who now tend the labor-saving machines earn from \$4 to \$6 per day, though they are paid only $\frac{3}{4}$ cent per thousand.

Mr. Schoenhof's deductions in his previous book are that wages are determined more by the standard of living among wage-earners than by any other consideration; that this standard increases when all agencies have free play, but decreases under restrictive laws; that where the standard of living is highest, productive power and inventions are fullest and production conse-

quently cheapest. These deductions are borne out by the statistics in the following pages.

I have had myself practical acquaintance with labor in America and in England, and have seen that the nervous force, the ingenuity, and other qualities of the American workman enable him to work so much more effectively as to present this paradox of higher wages and cheaper production.

The conclusion is that the natural prosperity of the wage-earners in the United States has been decreased by "protective" restriction and would be increased by free trade. That wages are higher in England under free trade than in the old "protective" days is shown in some of Mr. Porter's own figures, and the difference is something more than can be accounted for by other reasons. Give American labor free raw materials to work upon and it will get out of the vastly increased product then exported a very much greater wage. Certainly in purchasing power, probably in actual dollars and cents also. I heard, in Berlin, from a United States officer of legation, a startling commentary on the effect of "protection" on purchasing power. He said it was common talk in that city that the cost of feeding, clothing, and housing the German army was so much greater under the high tariff as to overbalance all that the government gained from it. Mr. Porter's ears were not open to such suggestions. Mr. Porter overlooked another significant fact, which I learned at first-hand. In one of the Peabody tenement buildings in London, meant for the lowest wage-earners, the average earning of heads of families was 23s. 7½d. per week, or about \$300 per year, more than in some of our protected industries.

Mr. Schoenhof gives the facts which show that the decadence of English commerce exists chiefly as a desire of American protectionists. The development of England in the prosperity of her people during the free-trade era is shown by the facts adduced by Mr. J. S. Moore from the *Financial Reform Almanac*. In 1840, the birth-rate in England and Wales was 31.93 per thousand of population and the death-rate 22.86, showing a balance of 9.07; in 1882, the birth-rate was 33.46 and the death-rate 19.31, a balance of 14.15. Since 1840, the consumption of articles which indicate "solid comfort" has increased fourfold: In 1840, the consump-

tion of currants and raisins was *per capita* 1.45 lbs., in 1882, 4.32 ; raw sugar, 15.20 and 62.10 lbs. ; rice, .09 and 13.49 lbs. ; tea, 1.25 and 4.67 lbs. In 1840, there were in England and Wales 27,187 committals for crime out of 15,730,813 population, or 1 to 580 ; in 1882, 15,260 out of 26,406,820, or only 1 to 1,730. From 1849 to 1882 the recorded paupers had decreased from 934,419 (or 1 to 18.26) to 799,296 (or 1 to 33.14). When we add to such evidence, the fact that less than 700,000 workers in this country depend on "protected" industries, that 2,000,000 depend on unprotected mechanical industries, and that 7,670,000 are unprotected farmers, it is a wonder that American wage-earners have so long suffered themselves to be misled.

Many workingmen sympathize, many farmers do not sympathize, with the views of Mr. Henry George as to the evils of our land system. But workingmen and farmers can alike agree with Mr. George that the protective system is holding us all down. Mr. Schoenhof might well dedicate his book, as free-traders hope they are dedicating their work, "to the greatest good of the greatest number."

R. R. BOWKER.

WAGES AND TRADE

IN MANUFACTURING INDUSTRIES IN THE

UNITED STATES, GREAT BRITAIN, FRANCE, AND GERMANY.

I propose to give the wages and earnings of working-classes employed in factories by competing nations. Little progress can be made toward a final adjudication of the tariff question until the bugbear of "European pauper labor" is removed from the vision of our public men. I shall bring the matter in divisions to the reader, arranged according to the importance of the various branches.

The tables which I shall give are from the best authorities I can find in the United States, England, France, and Germany. My authorities are :

FOR THE UNITED STATES.

Reports of the Bureau of Statistics of the United States.

" " " " of Labor of Mass.

" " " " " " New Jersey.

FOR GREAT BRITAIN.

Leone Levi, "Wages and Earnings."

Statistical Abstract for the United Kingdom.

Government Reports to Parliament.

Mulhall, Dictionary of Statistics, 1884.

Consular Reports to the Department of State of the United States.

FOR FRANCE.

Moreau de Jonnès, "Statistique de l' Industrie de la France."

Othenin d' Haussonville, "La Vie et les Salaires à Paris."

Report of Consul-General Walker.

FOR GERMANY.

Report of Consul Du Bois and other Consuls to Department of State.

Tables of Statistics of Wages of "Concordia."

Reports of Chambers of Commerce to Secretary-General.

Dr. Heinrich Fränkel, "Die tägliche Arbeitszeit."

Statistisches Jahrbuch für 1883.

I. THE TRUE CONDITIONS OF BRITISH TRADE.

In order to prove that the present tariff system of the United States ought to be continued in force, the New York *Tribune* sent ex-tariff-Commissioner Mr. Robert P. Porter abroad, to collect statistics in the interest of "protection"; or rather what "American Protectionists" are pleased to call protection, "equal protection to every thing," manufactured goods and raw materials alike; frequently giving heaviest rates to the crudest and coarsest fabrics, and lower rates as fabrics increase in fineness and finishing process. Advocates of this doctrine seem to forget that the heavy tax on the raw material and on the crude fabric makes the "protective tariff" on higher branches absolutely nugatory. By this system nearly two thirds of our vast industries have to suffer at home from all the disadvantages arising from open markets for the competing products of foreign industries, without at the same time sharing in the advantages of free trade for their own products, made of these high-taxed materials.* In order to save this

* An analysis of the census report on manufacturing industries in the United States, of 1830, and a comparison with that of 1860, gives some interesting facts. The large increase from \$1,885,000,000 to \$5,369,000,000 is ascribed to protection by that school of economists who claim high and burdensome taxation as synonymous with protection. Now "manufactures" of the census reports have to be subdivided into three classes:

1. Agricultural or mining products, or labor services with small additions of materials, or work that has to be done on the spot, uninfluenced by any possible furtherance by the aid of the law-making power. This class contains such items as: Blacksmithing, Bread and Crackers, Carpentering, Coffee-Roasting, Cooperage, Fertilizers, Flouring, Food and Canning, Liquors, Lumber, Slaughtering, Sugar Refining.

2. Manufactures which are dependent on manufactured material. These materials are so largely protected that the product has no benefit from

mongrel system of taxation from annihilation, which it so richly deserves, the whole arsenal of the dictionary has been ransacked to find names and sentences so as to make it more acceptable than experience has proven it to the consumer and the producer. Neither "horizontal reduction" nor "incidental protection" will help the case, when the march of events categorically demands a thorough and intelligent reform of the tariff, so as to give relief to our manufacturing industries, and encourage the development of the higher branches.

To bring all industries of a country into healthy development, attention and encouragement must be given to the higher grades. To these the lower branches must be made tributary. If the higher branches are starved by excessive taxation on their materials, these materials will suffer equally. Other protective nations have shaped their fiscal policy to this end a generation ago, while

the tariff, as the additional cost of the material is often higher than the "protection" on the product amounts to.

3. Manufactures of first process, which are wrought from raw materials, such as textiles, crude iron and steel, etc.

They bear the following relation, according to a careful classification which I have made,

	1860	1880
Class I.	\$657,000,000	\$1,800,000,000
" II.	462,000,000	1,790,000,000
" III.	770,000,000	1,800,000,000

Only the last class has been deriving any great benefit from protection. But the advantage is equally illusory, if brought to the test of analysis. The tax on raw material has dwarfed the development of this class more than any other. Lines which depended on their own exertions have far exceeded the proportion of development of class III. But this class III, if reduced to the valuations of 1860, would certainly not amount to more than three fourths of that sum. The inflation of prices in consequence of the much higher cost of the material, with the exception of cotton goods perhaps, would fully account for this difference. Besides, it must be borne in mind, that 1880 was the notorious boom-year. Were we to reduce values of census report to the valuations of 1879 or of 1884, we could certainly not claim more than \$1,350,000,000 of protected industries as against the same class in 1860 with \$770,000,000, an increase of 75 per cent., whilst our population has increased 50 per cent. in the meantime. Comparing this increase of our productive strength with the rapid advance of other nations not so hampered, we can only deplore the blindness of our law-makers and people in obstinately refusing to strike at the real source of the evil: the stupid tax on raw materials.

we persist in the reverse. The present stagnation is too eloquent a monitor. It would be well to seek other means of relief, than picturing the miseries and suffering of free-trade England, and painting in glowing colors the condition of protected Germany. This will not bring the slightest aid and relief to our glutted markets, and to our striking or locked-out operatives, even if the doleful news sent us from England by the correspondent of the *N. Y. Tribune* were true. He pictures the commerce of the United Kingdom declining, its industries decaying, its working-people starving for want of employment, while all nations that have adopted or retained the protective policy are happy and contented. The latter take the trade away from the proud ruler of the sea. Their workpeople are constantly employed, and increased earnings are the result of the introduction of higher protective taxes against former lower rates. All this sad news is repeatedly unrolled before our eyes, and in reading it our sympathetic heart is moved at the sight of the decadence of this great and mighty empire. The waves of destruction which England for a generation has launched upon the commerce and industries of rival nations are at last rolling back upon her, threatening to unhinge that mighty creation of Cobden, Bright, Peel, Gladstone, and their like. The advice given by the men who have discovered this harrowing state of affairs to the English statesmen is, to abandon their free-trade policy, and to adopt the principle of protection and exclusion. But the advice remained unnoticed, although "that strong man of the Tariff Commission" had hurried back from his Continental mission to England, to admonish the government and people, and give them warning of their impending doom, unless they adopt the policy of their competitors. "Is it not all plenty and happiness in the United States?" "It is true the latter have no foreign outlet for the surplus product of their mills; but what is the use of foreign commerce? The less you export the more you have at home."

Argument much like this appeared in the very columns of the *Tribune*. Now what are the real facts of the case? What are the conditions of industrial nations so far as their commerce is concerned in manufacturing industries, and what are the wages paid to their operatives? Is the protective or the free-trade

policy more conducive to their happiness and the development of trade? Are wages determined by tariffs or by other agencies? What are these agencies? What is it that gives preponderance in industries and trade to the countries whose working-people are used to shorter hours and to a higher standard of living? All these postulates are totally at variance with theories handed down by protectionists. To prove their correctness, however, is the aim of these brief papers. If correct, our fiscal policy must be shaped accordingly, if we intend to keep a foremost rank in the progress of nations.

The first and most prominent discovery of the protectionistic press, the decline of the commerce and manufacturing industries of Great Britain, has not the first semblance of truth.

I will give the exports of British manufactures for the three years, 1880, 1881, 1882, from a *Return to an order of the House of Commons* :

Exports of coal and of manufactures from the United Kingdom, year ending December 31st.

	1880.	1881.	1882.
Apparel and Slops	\$15,420,000	\$17,800,000	\$20,000,000
Arms, Ammunition, etc.	7,000,000	6,670,000	6,850,000
Bags and Sacks	7,000,000	7,200,000	5,650,000
Books	4,600,000	5,250,000	5,600,000
Chemicals	11,500,000	12,000,000	10,700,000
Caoutchouc Manufactures	4,000,000	4,500,000	5,000,000
Coal and Fuel	40,000,000	42,000,000	46,000,000
Copper, etc.	16,000,000	16,500,000	16,000,000
Cordage	1,400,000	1,600,000	2,000,000
Cotton, Yarns and Twist	57,000,000	64,000,000	62,000,000
“ Piece Goods	276,500,000	284,000,000	266,000,000
“ Other, Lace, Hosiery, etc.	29,000,000	33,000,000	36,000,000
Earthenware, etc.	9,600,000	10,100,000	10,600,000
Glass	4,400,000	4,600,000	5,200,000
Haberdashery	16,700,000	20,000,000	21,000,000
Hardware and Cutlery	17,000,000	18,600,000	19,800,000
Hats	4,900,000	5,300,000	6,400,000
Iron and Steel	136,000,000	132,000,000	151,000,000
Jute Yarn and Manufactures	12,000,000	12,500,000	12,000,000
Leather and Manufactures	13,500,000	17,000,000	18,250,000
Linen Yarn and “	33,000,000	33,500,000	34,000,000
Machinery	44,000,000	47,500,000	58,000,000
Silk, Twist and Manufactures	13,000,000	17,500,000	17,000,000
Telegraph Wires	6,300,000	9,700,000	5,000,000
Woollen, Worsted and Yarns	100,000,000	103,000,000	107,000,000
Total	\$880,000,000	\$925,000,000	\$948,000,000

There has been a steady rise in the value of British exports of this class since 1878. In bulk the exports were never so great as in 1882, not even in 1872 and 1873, when they exceeded the values of 1882 by only five per cent. The valuation of English exports of manufactures in 1873 was on the average fully twenty-five per cent. above that of 1882.

Nor is the report that the English markets are filled increasingly with foreign fabrics any nearer the truth than the statement refuted above. The same report of the British Government states :

Imports of foreign manufactures into the United Kingdom, year ending December 31st.

	1880.	1881.	1882.
Chemicals	\$5,200,000	\$6,400,000	\$7,200,000
Copper, Manufactured . . .	11,600,000	10,000,000	11,600,000
Cotton, "	12,100,000	12,000,000	11,800,000
Glass and Manufactures . . .	8,400,000	8,000,000	8,000,000
Hats	200,000	160,000	230,000
Iron and Steel Manufactures .	18,000,000	18,200,000	19,000,000
Leather and Manufactures . .	31,500,000	32,000,000	36,500,000
Paper	5,600,000	5,400,000	5,750,000
Silks	64,000,000	56,000,000	54,000,000
Tin, Blocks and Bars	8,250,000	9,000,000	12,000,000
Watches	2,000,000	2,200,000	2,300,000
Woollens and Yarns	45,500,000	35,000 000	37,000,000
Total	\$212,300,000	\$194,400,000	\$205,400,000

It will be seen from this, that there is great latitude between the statements set afloat by the sources mentioned above and the real facts of the case. Equal stress has been laid upon a decline in wages in England and a corresponding rise in Germany. My most diligent investigations have not been able to discover any material foundation for these assertions. The relative conditions of working-people in factories of the various nations coming under the heading of this inquiry can best be estimated from an examination of the tables in the following subdivisions :

A.—COTTON GOODS.

Values reduced to American dollars : English shilling and German mark, 24 cents ; franc, 19 cents.

CLASS OF OCCUPATION.	GREAT BRITAIN.			UNITED STATES.		FRANCE.	GERMANY.
	Glasgow.	Manchester and Neighborhood.	East Lancashire.	Massachusetts.		U.S. Consular reports.	Tables of Statistics of Society "Concordia."
	1865. 66 hours.	1880. Week of 56 hours.	1880. 60 hours.	1878. 60 hours.	1881. 60 hours.	1881. 66 to 72 hrs.	1882. 66 to 72 hours.
Scutchers, Men	1	2	3	4	4	5	
" Girls . . . .	.....	\$5 40	.....	\$6 23	\$6 67	.....
Strippers, Men	\$2 06	2 04	.....	3 45	3 45	.....
" Lads . . . .	.....	5 40	\$5 28 to 5 76	5 06	6 21	\$4 34	
Grinders, Men	2 76	3 50	.....	.....	.....	.....
" Men	4 68	5 16	5 28 to 5 76	7 34	8 42	\$2 86 to 3 09	
" Lads . . . .	.....	3 50	.....	.....	.....	.....
Lap and Can Tenders, Lads	.....	2 16	.....	2 80	2 70	.....
Draw, Frame Tenders, Wom.	2 40	3 67	3 90 to 4 56	4 47	4 90	2 14 to 2 38	
Roving and Slubbing, Wom.	.....	3 60	3 90 to 4 56	3 70	4 52	2 10 to 2 25	
Slubbers . . . .	.....	.....	.....	4 80	5 90	.....
Bobbin Tenders, Girls . .	1 38	1 50	2 16	3 34	2 95	.....
Card Winders, Men . . .	5 28	5 87	.....	.....	.....	2 50 to 3 70	
" Women . . . .	.....	2 88	.....	.....	.....	.....
Overlookers, Men	6 48	9 24	8 40 to 12 00	18 72	17 80	.....
Mule Spinners, Men . .	6 24	6 90	7 20 to 8 40	7 41	10 09	3 57 to 4 09	
Creelers, Lads . . . .	.....	1 44	1 68 to 2 04	2 32	2 97	.....
Piecers, Lads . . . .	.....	2 04 to 3 00	2 76 to 3 36	.....	.....	.....
Overlookers . . . .	.....	8 40 to 10 80	8 40 to 12 00	18 00	13 80	.....
Throttle Spinners, Women	2 28	3 61	.....	3 52	4 38	.....
Doffers, Boys . . . .	.....	2 16	.....	2 80	2 70	.....
Overlooker . . . .	.....	6 00	7 20 to 8 40	.....	.....	.....
Assistant . . . .	.....	4 32	.....	.....	.....	.....
Engine Driver	5 76 to 9 60	.....	5 04 to 12 00	11 37	17 75	.....
Fireman and Laborer . .	2 88 to 3 60	.....	3 84 to 5 04	8 33	8 33	.....

1. Leone Levi, "Wages and Earnings." 2. Government report to Parliament, 1883, on wages in the United Kingdom in 1880. 3. Report of Consul-General Shaw, December, 1881. 4. Report of Commissioner of Labor Statistics of Massachusetts, 1883. 5. Report of U. S. Consul-General Walker, 1882.

Reports from 134 factory towns of the Empire, give the earnings of weavers in power mills at rates varying from \$1.50 to \$4.50 per week, mostly of 66 hours (some with 72 and 78 hours). The earnings are: 2 x \$1.44; 7 x \$1.02; 9 x \$2.16; 16 x \$2.40; 7 x \$6.24; 18 x \$2.87; 10 x \$3.12; 13 x \$3.36; 20 x \$3.60; 6 x \$3.84; 10 x \$4.32; 2 x \$5.04; average \$3.00 for men; women's earnings, of course, are considerably less.

WAGES IN THE COTTON INDUSTRIES.

In the cotton industries the comparison of figures shows that the wages paid in Massachusetts in 1878 were, on the average, not more than 15 per cent. higher than wages of English cotton operatives. English wages were somewhat higher in 1880 than they were in 1865, higher in 1881 than in 1880. Counting the difference of time and the steadier working habits of our people, then we find American wages below the English—though the weekly earnings are higher to the extent shown in the tables. Applying within the United States the principle of higher efficiency and cheaper production resulting from a high standard of living,* we find Massachusetts holding the same position toward her sister States which England occupies toward the rest of the world,—higher wages and shorter hours producing finer and relatively cheaper goods. The Chief of the Bureau of Statistics of Labor of New Jersey, Mr. Bishop, endorses the views of Mr. Consul Shaw, whom he quotes in his report of 1881: "The hours of labor in the mills of the other New England States, where the wages are generally less than in Massachusetts, are usually 66 to 69 per week. Undoubtedly, the inequalities in the wages of English and American operatives are more than equalized by the greater efficiency of the latter, and their longer time of labor." Massachusetts produces more than one third of the whole product of the United States in cotton goods: 74 millions out of 210 millions, and in woollens and worsteds 55 millions out of a total of 196 millions.

It will be seen from the table that England pays more than any of its two principal Continental competitors, Germany and France. The industrial development of all other nations, excepting Belgium and Switzerland perhaps, is far behind either. I take Germany and France therefore as examples. English wages are fully 50 per cent above those of Germany, and on the average at least 30 per cent. above those of France. Besides, the English working week is one of 56 hours, whilst that of Germany is from 66 to 72 (often 78) hours, and that of France of 72 hours. Yet they all guard themselves by protective tariffs, not against their

* See the full illustrations of this principle in my book, "The Destructive Influence of the Tariff," G. P. Putnam's Sons.

weaker rivals, but against the very country which pays the highest wages and has the shortest hours.

In cotton goods the imports and exports are :

	Imports.	Exports.
England	\$12,000,000	\$380,000,000
Germany (not containing yarns)		23,000,000
France " " " "	19,000,000	15,000,000

England's position in the commerce of the world in cotton goods is as follows :

Wages : from one half to one third higher than in any other European State.
Weekly hours : 56 against 66 and 72 on the Continent.

English exports in cotton goods and yarns	\$380,000,000
Germany " " " "	\$21,000,000
" " " hosiery, etc.	10,000,000
France " " and yarns	19,000,000
U. States " " " "	13,000,000
Holland " " and yarns	11,000,000
Belgium " " " "	5,500,000
Switzerland " " and yarns	10,000,000
	<hr/> 90,000,000

Excess of English exports in cottons over the rest of the world \$290,000,000

If we deduct the exports of yarns, because they are more than balanced by imports from England—nineteen millions—then we have \$71,000,000 against \$380,000,000. This is a striking illustration of the fallacy of the "Pauper-Labor Theory" in the tariff.

The causes which lead to England's superiority over the rest of Europe, in an industrial sense, are still more active in the United States, and lead to similar results in all branches where there are no taxes on the immediate raw material, such as cotton goods, or where the labor cost is the greatest part of the value, as in machinery or hardware. Wamsutta Mills $\frac{1}{4}$ muslin is retailed in London at 6d. The agent's price in New York is 10 $\frac{1}{2}$ cents less 5 per cent., and two per cent. for cash. It is largely advertised in London as such, and has no equal in English brands of like superior quality and price. British manufacturers are not a little exercised at this. Wamsutta (American) muslin is now a well-established brand in the English home market. Germany's old tariff (according to Commissioner Porter's view, a free-trade one) of 30 marks per Zoll Centner on brown goods (\$7.50 per 110 lbs. avoirdupois) was raised in 1879 to 40 marks and on bleached

goods from 48 to 50 marks. A 25-per-cent. protective tariff was not sufficient to keep American cotton goods from the inhospitable shores of Germany, whose low-priced labor is unable to compete against the high-priced American labor, with its higher standard of living. In Canada American cotton goods are sold side by side with Canadian cotton goods, although the latter are protected by a 25-per-cent. duty. Labor is lower in Canada than in the United States. As far back as 1875 we had commenced to gain a foothold in these very markets. I need not dwell here upon the reasons why we are not more successful as exporters of American mill produce. The causes are manifold, but the high cost of American labor is not one of them.

WAGES IN THE WOOLLEN INDUSTRIES.

In woollens, wages on the average are about 30 per cent. higher in the United States than in England ; in England, about 20 to 35 per cent. higher than in France, and fully 50 per cent. higher than in Germany. A great deal more is done under one roof and management in the United States than in England or Germany. If the dead weight of the wool tax were removed, there is little doubt that our woollen fabrics would soon find an outlet through other markets than the present insufficient ones.

In woollen goods and yarns the imports and exports in 1881 were :

	Imports.	Exports.
England	\$35,000,000	\$103,000,000
Germany	25,000,000	64,000,000
France	19,500,000	82,000,000
United States	38,000,000	400,000

England is still far ahead of its rivals in exports of woollens, though, through the change in fashion, from hard lustrous goods (in which she excelled all nations) to soft goods, a marked decline is noticeable. English exports in 1865, were \$122,000,000. The decline is certainly not due to the higher wages paid in English mills.* The difference in wages in 1865 between English and German labor was as great then as in 1880. The position of the United States in the world's trade in woollens is rather humiliating.

* This decline in value is, however, more than balanced in bulk. The decline in prices has been especially heavy in woollens and worsteds.

Under a protection of a tariff on woollens varying from 50 to 100 per cent., our imports are double those of France, 50 per cent. above those of Germany, and 10 per cent. higher than those of Great Britain. The labor cost of American mill hands is approximating that of Great Britain, so much that the plea of higher wages is no longer sufficient argument in upholding the present rates. When the tax on wool is abolished, we may expect to change the \$400,000 of our exports into millions, and perhaps into tens of millions.

A lucid illustration of the general workings of the tariff, preventing exports, but rather facilitating imports, may be seen from this: The tariff-rates on many manufactures, especially in the woollen line, seem extreme. Knit goods, composed wholly or in part of wool, or worsted, etc., pay a specific and an *ad-valorem* duty, averaging 70 per cent., under the "Reform Tariff" of 1883,—an exorbitant tax on so necessary an article of clothing as an undershirt, a cardigan jacket, a knitted shawl, or the like. Sure, the manufacturer of knit goods must roll in wealth. The guillotine of "horizontal reduction" ought to be set to work at once to correct this abuse. But the yarns used in these goods have exactly the same rate of duty to pay. They come under the same classification,—"knit goods, yarns, composed etc." 70 per-cent. on *Yarns*, wholly or IN PART of wool or worsted. There are three parts to the material and one part to the labor in the composition of the value of the manufactured article, and it may be imagined what great margin of profit is left to the manufacturer, and what protection to labor after all these exorbitant charges have been paid, which are heaped upon American manufacture over and above what foreign competition has to pay. Yarn comes next to the raw material. Protective Germany has a tariff of 2½ cents (24 marks per 100 kilograms) on a pound of full-worsted yarn. This is equal to a little over 4 per-cent. (against our 70 %), if we take 60 cents (the average value, for 1880, of British exports of woollen yarns) as a basis of comparison. German manufacturers, however, are little pleased at this imposition, and energetic complaints are found in the reports of various Chambers of Commerce. They may often feel comforted, however, when they look upon the 70 % tax on the raw material

B.—WO

Values reduced to American dollars : English shil

DESCRIPTION OF OCCUPATIONS.	GREAT BRITAIN.				
	1865.	1880.	1880.	1880.	1880.
	Huddersfield, etc.	Batley.	Dewsbury.	Huddersfield.	Leeds.
	1	2	2	2	2
Week of Hours.	66	56	54	56	
Wool Sorters, Men . . .	\$5 28 to 7 68	*\$7 20	\$6 24	\$5 76	. . .
Scourers, Men . . .	3 84 to 5 04	5 28	5 76	5 28	. . .
Dyers, Men . . .	3 60 to 5 04	5 28	5 28	5 28	. . .
Dyers, Foremen . . .	. . .	12 00	14 40	12 00	. . .
Teasers & Willyers, Men	4 00	5 28	5 04	. . .	\$5 76
Scribblers, Men . . .	6 00	. . .	6 72	. . .	. . .
“ Women . . .	2 16	3 36	3 00	2 64	. . .
Condenser Minders, Lads	. . .	2 40	3 00	2 64	2 52
Spinners, Men . . .	5 76	*7 20	7 68	*7 20	9 00
Spinners, Piecers, Lads	1 92	2 88	2 40	2 16	2 28
Spinners, Foremen . . .	. . .	12 00	9 60	10 80	13 20
Warpers, Women . . .	3 26	3 60	3 36	3 61	. . .
Beamers, Men . . .	. . .	5 52	. . .	. . .	6 25
Healders, Lads . . .	. . .	2 88	. . .	*2 40	. . .
Fettlers, Men . . .	. . .	5 28	5 28	5 28	. . .
WEAVING.					
Pattern Designers, Men.	. . .	14 40	14 40	14 40	. . .
Pattern Weavers, Men .	5 04	5 76	7 20	6 00	. . .
Furriers, Men . . .	. . .	9 60	. . .	. . .	. . .
Weavers, Men . . .	4 32	*4 80	6 00	*6 25	. . .
Weavers, Women . . .	3 60	3 60	3 60	*4 32	3 50
Burlers, Women . . .	. . .	2 64	. . .	2 10 to 3 60	. . .
Knotters, Men . . .	. . .	5 28	. . .	. . .	6 00
Menders and Sewers . .	. . .	. . .	. . .	. . .	. . .
Women . . .	. . .	3 12	3 00	3 00	. . .
FULLING.					
Fullers, Men . . .	. . .	*6 00	5 76	5 52	6 00 to 9 60
Fullers, Foremen . . .	. . .	*9 60	14 00	8 40	. . .
DRESSING & FINISH'G.					
Dressers, Men . . .	6 24	5 28	5 04	6 24	. . .
Tenterers, Men . . .	. . .	*6 00	5 25	5 76	. . .
Cutters, Men . . .	. . .	5 72	5 52	5 76	. . .
“ Lads . . .	2 15	2 40	2 88	2 88	. . .
Press Setters, Men . . .	. . .	6 00	5 52	6 00	. . .
Steamers, Men . . .	. . .	6 00	5 52	6 00	. . .
Drawers, Men . . .	. . .	*8 40	9 60	7 20	. . .
Engine Tenders . . .	9 60	9 60	8 40	8 40	. . .
Stokers . . .	5 14	4 32	5 28	5 28	. . .
Mechanics . . .	. . .	8 40	6 48	6 48	. . .
Carters . . .	. . .	5 28	5 28	5 28	. . .
Warehousemen . . .	. . .	5 28	5 28	6 00	. . .
Laborers . . .	. . .	. . .	4 80	4 80	. . .

* Piece Work. 1. Leone Levi, "Wages and Earnings." 2. Report to Parliament, 1883.
Consul-General Walker. 6. Report to Corps

OLLENS.

ling and German mark, 24 cents ; franc, 19 cents.

		UNITED STATES.		FRANCE.		GERMANY.	
1880.		1878.	1881.	1870.	1881.	1881.	1882.
Stroud.		Mass.	Mass.	Elbœuf	Rheims.	Aix la Chapelle	Statistical Tables of Concordia.
2		4	4	6	5	7	
56.			60	72	72	76	60 to 78.
*\$6 50		\$8 50	\$9 43	...	\$4 62 to 5 82	...	Wool-spinners, men : returns from 94 factory towns, woollen mills ; average weekly wages, 6 at \$1.92 ; 6 at \$2.16 ; 10 at \$2.40 ; 4 at \$2.64 ; 33 at \$2.88 ; 6 at \$3.12 ; 11 at \$3.36 ; 7 at \$3.60 ; 4 at \$3.84 ; 7 at \$4.32, or a total average of \$3.00. The Secretary-General of the United Chambers of Commerce gives the average of wages in woollen mills at \$1.96 to \$4.32 for male, and \$1.67 to \$3.60 for female, operatives.
3 84		6 66	8 84	\$3 18	...	\$3 00	
3 60		6 66	7 81	3 18	...	...
7 20 to 10 80		...	...	...	...	8 00
4 08		...	...	4 37	...	...
3 78		...	...	...	...	3 57
2 52		...	...	...	...	...
...		
*5 83		7 64	9 05	4 62	4 62 to 4 92	...	
...		3 00	4 81	1 74	...	...
7 80		...	...	...	6 36 to 7 50	...
*2 18		...	...	2 88	2 88 to 4 62	2 00 to 2 80
*4 68		...	...	...	...	...
...		
...		
8 40 to 13 20		...	...	...	...	...
...		9 50	8 53	...	4 62 to 6 36	...	
5 40		...	...	...	...	4 25
*4 32		6 95	7 45	...	...	...
*3 00		...	...	4 32	...	...
1 92		4 59	5 13	...	...	...
...		
...		
2 88		6 34	5 09	...	2 08 to 2 70	...	
3 60 to 4 82		6 89	7 35	3 48	...	2 90	
7 20 to 9 60		...	...	...	...	...
3 60		7 08	7 53	...	...	...
3 84		...	...	...	...	...
3 60		...	...	...	...	...
1 44		...	...	...	...	...
4 08		...	...	...	...	...
4 00		7 50	7 68	3 18	...	2 85	
...		
5 04		10 50	11 07	...	5 82 to 6 96	4 30	
3 60		8 78	7 97	...	4 62	3 60	
6 12		12 33	13 43	...	...	3 90
3 60		...	...	...	...	...
4 32 to 6 10		...	...	...	...	2 85
3 56		6 69	8 58	...	3 78 to 4 62	2 90	

4. Report of Carroll D. Wright, Commissioner of Labor, Mass. 5. Report of U. S. Legislatif. 7. Report of U. S. Consul Dubois.

of our manufactures of worsteds, knit goods, gimps, and trimmings of all kinds. The yarn-spinner, has, however, an equal right to repudiate the imputation that he is benefited by the duty. He has a charge of 10 cents on every pound of grease wool. "Protection to the farming interest" exacts from 50 to 70 % of the yarn-maker. Upon inquiry, I am informed by the Department of Agriculture, that only one million ranchmen and farmers have made returns of sheep. There are, however, over 4,000,000 of farms in the United States, according to the last census. Naturally, but few of the 1,000,000 sheep-owners have large interests; but giving to this class all the benefits of numbers, it is only 25 per cent. of the farms who derive any advantage from this tax, the most hurtful of our cumbersome system. Which manufacturing industry is enriched or protected by this "protective system," I must leave to a subtler mind to calculate. I must confess that I am not capable of it.

That the horizontal-reduction plan, now so popular among our public men, is woefully out of proportion as a means of relief in an emergency like this, must be clear to every mind.

In my book, "The Destructive Influence of the tariff," I have shown the same absurdity of so-called tariff-protection to exist in other lines of woollens—from the cloak-industry down to the raw material. The same as to shawls, etc.

WAGES IN THE IRON INDUSTRIES.

In the iron industries, American wages average fully 75 per cent. more than English wages. Wages in England are fully 75 per cent. higher than those paid in Germany for like work in metals, and perhaps one third higher than in France. I have no very recent tables for France at my command. Judging, however, from an article in the April number of the *Revue des Deux Mondes* by Mr. Othenin d'Haussonville, "La Vie et les Salaires à Paris," and comparing living expenses of Paris and wages with those of provincial towns of 1873, I consider myself justified in making this average

Now what is the result of competition of high-wage countries and low-wage countries in metal-work and machinery? If the theory assailed, that low-wage countries drive their high-labor

C.—MACHINERY.

OCCUPATIONS.	England.				U. States.		Germany.	
	1865.	1880.	1880.	1880.	1878.	1881.	1880.	1882.
	1	Birmingham.	Dundee.	Glasgow.	Massachusetts.	Massachusetts.	Reports of Chambers of Commerce.	Statistical Tables of Concordia.
Hours	66-72	54	54	54		60		
Pattern-makers .	\$7 92	7 92	6 96	7 56	15 24	18 10	Yearly earnings in foundry and machine shops for men unskilled, \$130 to \$200. Skilled from \$225 to \$300.	Weekly earnings of skilled men in machine shops, 232 towns: 8 at \$2.40, 6 at \$2.64, 26 at \$2.87, 21 at \$3.36, 65 at \$3.60, 13 at \$3.84, 9 at \$4.08, 58 at \$4.32, 5 at \$4.60, 8 at \$4.80, 4 at \$5.04, 1 at \$5.38, 5 at \$5.76, 1 at \$6.24, 1 at \$6.48, 1 at \$6.96. Average for the Empire, \$3 82.
Iron-moulders .	8 64	8 40	7 20	. .	12 30	16 10		
Brass-moulders .	. .	8 40	6 72	. .	13 25	15 75		
Steam-hammermen	. .	12 96						
Forgemen . . .	. .	. .	16 80			
Smiths . . . .	. .	8 16	6 48	7 32	12 15	15 75	
Strikers . . .	3 36							
	to	5 04	4 56	5 04	7 50	8 64		
	4 32							
Planers . . . .	. .	6 72	6 00	6 72			
Turners	7 20	7 68	6 72	6 72				
Fitters	7 20	7 68	6 24	7 14	10 66	12 82		
Stokers . . . .	. .	4 80	5 14	6 12	9 60	8 80	
Carpenters . . .	. .	7 20	6 72	7 03			
Bricklayers . .	. .	7 20	. .	. .	18 00	16 50
Laborers . . .	3 60							
	to	4 32	3 84	4 08	7 38	8 11		
	4 80							
Boiler-makers .	8 16		6 48	7 32				

1. Leone Levi, "Wages and Earnings." 2. Government Report to Parliament, 1883.

4. Report of Commissioner of Labor of Massachusetts.

competitors to the wall, is correct, then England ought to be the first country to guard by a protective wall against the influx of German and French cheap work.

But the imports and exports in hardware, cutlery, machinery, and other mill-work, give an altogether different showing :

	Imports.	Exports.
Great Britain (1882)	\$12,000,000*	\$77,000,000
Germany (1881)	6,500,000	25,000,000
France (1880)	11,500,000	23,000,000
United States (1882)	5,000,000	25,000,000

* This sum contains many items which do not belong to this class, but as imports are not specified sufficiently, I have to take this lump sum.

In machinery, England excels all cheap-rate countries, both as to price and quality. Consul-General Walker, in his report of June 19, 1882, to the Department of State, gives an indication of the cost of machinery in both countries by quoting from M. Pouyer Quertier's testimony before the French Tariff Commission :

Machinery bought in England for a cotton factory of 500	
looms	\$40,322
Packing, transportation, and customs duty	16,900
Total	<hr/> \$57,222

so that it would still be less than if the plant were produced in France. A great part of this difference in price is due to higher coal, iron, and steel ; but the inferiority of French labor and mill outfit is sufficiently attested by other testimony and by the high protective tariff which France draws around her manufactures as against Great Britain, from the lowest grade, like pig-iron, up to the highest strata of the productive process.

Nor does England fear German competition and its still lower labor. Although the latter possesses coal-beds and iron mines in close proximity, with labor about one half the cost of British labor, she still considered it necessary in 1879 to impose a duty on pig-iron and other crude forms of iron, and to double the rates on all other forms. That the export of the products of German mills is suffering under this system is attested by all the Chambers of Commerce which represent manufacturing interests of this kind.

But how do these low-wage countries affect American foundry and machine-shop produce, hardware, etc.? We certainly have nothing to fear from Germany. The sound and wholesome advice of Professor Reuleux, the German Commissioner at the Philadelphia Exposition of 1876, may have borne fruitful results. He found our goods excelling theirs in every way. The gracefulness and solidity of our work stood out in solid relief against Germany's "cheap and poor" wares ("Schlecht und billig"—often translated as "cheap and nasty"). "From all other nations who were represented at the Exposition, we found something worth learning—from Germany, nothing."

American goods, stoves, ranges, hardware of all kinds, tools,

machine-needles, machinery of all sorts, find a ready sale in Germany over and above all the transportation charges and the tariff rates which Germany feels compelled to exact so as to protect her cheap labor against American high-cost labor, with its graceful, solid, and at the same time low-priced productions of superior value and finish. German makers are imitating American stamps on their own fabrics—close imitations of ours, but of inferior quality, so as to palm them off for American goods—the best certificate they can give of American skill and genius. Our exports in these higher branches are equalling those of Germany and France, although the materials of which they are composed are subjected to tariff rates ranging from 45 to 75 per cent. All grades of iron are subjected by the American tariff, it should be remembered, to specific rates, which bear the heavier against the manufacturer of finished fabrics the more foreign prices decline in value, as has been the case in all forms of iron.

The percentage of material and labor in these metal goods is as follows (Census of 1880) :

Articles.	Material.	Labor.
Agricultural implements	67	33
Cutlery	51	49
Fire-arms	40	60
Sewing-Machines	50½	49½
Foundry produce, machinery, etc.	60	40

The higher cost of the material, the much higher price of our labor, every possible obstacle, is overcome by American genius, nerve, and power.

Exports of such magnitude in face of all the difficulties that were to be overcome by us only indicate what our condition might be if the burden upon our industry of the tax on raw materials were removed.

In metals of cruder form, where the labor cost is smaller, and the material presents by far the highest proportion of cost (pig-iron, bar-iron, steel, labor = 22 per cent., material = 78 per cent.), we are heavy importers and not exporters. Imports in pig-iron, bar-iron, etc., steel, and rails in 1882 were \$43,000,000, and exports little over \$1,000,000, against imports of only \$5,000,000 and exports to over \$25,000,000 in the above goods of finer finish.

WAGES IN THE BOOT AND SHOE INDUSTRY.

D. BOOTS AND SHOES.						
Description of Occupation.	Great Britain.	United States.		France.	1882. Germany. Tables of Concordia.	
	1880. Leicester and Neighborhood. ₂	1878. Massachusetts. ₄	1881. Massachusetts. ₄	In France wages of shoemakers are between five and six francs a day. (Report of Secretary Evarts, State of Labor in Europe, 1878.)	In Germany wages for men in the shoe industry vary from \$4, paid in Frankfort (o.m.), Karlsruhe \$3.84, to Offenbach (o.m.) \$3.00—the latter the centre of a large manufacturing industry in this line.	
Hours	56		60			
Sewing machinists, men	7.20	†17.75	†15.40			
Sewing machinists, women	3.80	7.33	7.81			
Cutters, men	5.04	11.05	14.91			
Clickers, men	6.48					
Riveters, men	*6.00	13.75	11.31			
Machine operators, men	6.72					
Finishers	*7.20	11.75	12.18			

The boot and shoe industry is one of the most important of the United States. In 1880, 133,000 persons were employed in making boots and shoes at an outlay of \$51,000,000 for wages, or \$383 per head. The grand total of production amounted to \$197,000,000. This rate of wages is higher than that in most of our protected manufacturing industries, and largely above the prices paid in Europe.

American wages, in fact, run to about double the English rates, which in turn exceed both the French and German wages. Nevertheless, Mr. Howard M. Newhall, of Lynn, Mass., states that the labor to make a pair of shoes, though American machines are in use there, is some cents less in America than in England.

Mr. Mulhall, "Dictionary of Statistics for 1884," says: "The American machine enables a man to make 300 pairs of boots daily, a single factory in Massachusetts turning out as many pairs yearly as 32,000 bootmakers in Paris. The advance of these machines has been as follows:

* Piece work. † McKay operators.

² Report of Government to Parliament, 1883.

⁴ Report of Commissioner of Labor, Carroll D. Wright,

Year.	No. of Machines.	Million Pairs Yearly.
1862	15	$\frac{1}{2}$
1865	470	15
1870	1220	45
1875	2300	100
1880	3100	150

The Austrian Government makes two million pairs yearly. These machines are now in general use."

The French figures given in the table are more than double what wages were in 1855 in France, according to Mr. M. A. Moreau de Jonnès (*Statistique de l'Industrie de la France*), but still not more than half the wages of shoemakers in a shoe factory in Massachusetts. But in France the manufacture of shoes, as carried on in the United States, was until recently an unknown art. I know of a case which tells at a glance the world-wide difference in the two modes of production ruling in the two countries. The partner of a New York leather firm, who resided at Paris, had a son, who, like many a Parisian youth, needed a change of air. He was sent to New York, with instructions to the New York partner to make a man of him in the American sense of the word. The young gentleman was willing enough, and he consented to go through the full course of study in a Massachusetts shoe factory. After a thorough apprenticeship—from the cutting to the finishing process—he bought an outfit of a shoe factory of the Massachusetts pattern, hired a foreman and a force of workmen (who, by the way, would not have left their homes unless they had been sure of receiving better pay than they could get in Massachusetts), took machinery and men to France, and established a shoe factory at Lyons. It need not be said that he is doing exceedingly well, and I learn that he has a Government contract for army boots.

THE NEW THEORY OF WAGES AND TRADE.

It is not by reducing wages that America is making her conquests, but by her superior organization, greater efficiency of labor consequent upon the higher standard of living ruling in the country. High-priced labor means better food and better living, and these supply the American workman with that energy and nerve-power for which he is so justly celebrated. High-priced-labor countries are everywhere beating "pauper-labor" countries. The former never harm those where the high-standard

labor is the rule ; but cheap labor is irretrievably ruined wherever it attempts to fight an even battle with a well-situated antagonist. Thus, while the doctors are consulting which mode of treatment would most benefit their patient, Young America gets up from his couch, puts on his hat, takes his samples of Yankee-notions, machines, cotton goods, and boots and shoes, and tries to earn a penny or two long before the doctors have concluded their able discourses about their codes and the school that ought to have him in hand. A clean bill of health would be a godsend to him, as he could then start in business without having to pay excessive fees in the shape of a heavy tax on his first raw materials. This tax makes his starting-point so much above that of his foreign competitors that his success in this field seems almost miraculous.

It is then no more a question of shielding American manufacturers against the influx of foreign manufactures, which we have never been able to prevent under our ill-adjusted tariff (which puts the highest rates on the coarsest grades), as shown in my tables of imports ; but the question is, how to extend the field for the export of our manufactures. How change our congestive state into active healthful life? With many of our industries it is not any longer a question of protection, but of existence. The surplus yield of mills is oppressive, destructive even, and an outlet must be found somewhere.

During the past season auction sales in dry goods were resorted to to close out accumulations of stocks which found no ready sales in the open market. They amounted to about 60,000 bales and cases, valued by a trade paper at \$7,000,000. This is a rather low estimate, and I think \$10,000,000 more nearly correct. The quick succession of these sales not only reduced the bids offered in each sale, but had an equally depressing influence on the prices of all other domestic dry goods sold in the open market. Our whole annual product of 1880 in cotton goods, woollen goods, and mixed textiles was \$480,000,000, so that these auction sales represented but 2 per cent. of the entire output of these two great industries. It was sufficient, however, to cause widespread loss and ruin. Had we had a foreign market for this stuff, how different might be the situation.

I take the positive ground that there need be no reduction of

wages below that paid in 1880, that all we need is the raw material at as cheap a rate as that at which competing nations procure it, in order to enable us to take as commanding a position in the markets of the world as sellers of manufactured goods, as we do in agricultural products. A tariff on manufactures does not bear so heavily on consumers, when raw materials are free. The prices of raw materials are easily kept up to the highest level which the duty guarantees, and combinations to regulate the output are more successful than elsewhere. We see this in coal- and ore-mining and in sheep-raising. The multiplied manufacturing interests have too much at stake even to attempt it, and under limited outlets competition follows which reminds more of savage warfare than of the brotherhood of men. With open markets for the raw materials the price in Europe would rise to such a degree that on the one hand the home producer would get but little, if any, less than now in our depressed industrial condition, and on the other hand our foreign competitors would have to pay more for their raw materials. This would at once enable us to regard with equanimity the outside competition, which now has us completely at its mercy, with its materials so much below ours.

For these reasons nobody is actually benefited by taxed raw materials. It is a national waste—not protection. Taxing the raw material, taxing the manufacturer who uses these raw materials, is forcibly limiting its own (the raw material's) markets; in other words, killing the goose which lays the golden eggs.

What we are capable of has been shown already, and we have hardly raised the fringe of the curtain which shuts the outside world from us. Instead of doing barely 5 per cent. of the export trade of Great Britain in manufactures we might divide honors with her. That we are capable of doing so admits of no doubt. Nor is this the vision of an enthusiast eager for the realization of the great destiny of the Republic. So sober a mind and so able and sincere a protectionist as Mr. ex-Secretary of State William M. Evarts, in the letter of the Secretary of State to the Speaker of the House of Representatives, Mr. Samuel J. Randall, states this in language so pertinent that I may be excused for giving a few brief extracts:

“In order to appreciate the fulness of the successes which have

attended our exports of manufactures, we must bear in mind that we essayed to reach the world's markets at a time when they were glutted and flat, through the business depression and enforced idleness which prevailed everywhere, and when the several peoples were too much engaged in providing the barest necessities of life to pay any attention to the purchase of new and unknown manufactures. Yet, in the very face of this universal despondency, American manufactures have gone into favor everywhere, and have won the highest recognition for strength, grace, and durability.

"This immediate and general recognition of the superior qualities of American manufactures is a victory in itself pregnant with future profits. All our consular reports agree in this one respect, that American cottons, American tools and agricultural machinery, and all the fine manufactures which enter into the advanced utilities of the day, especially in their happy combination of the useful and the beautiful, are recognized as superior to all others. * * * But we have advanced in manufactures, as in agriculture, and we are being forced outward by the irresistible pressure of our internal development, and we find it easier to meet and overcome opposition in the various foreign markets than to cry halt to progress at home. * * * We must win our way by superiority alone—superiority in business, in manufactures, and in all the subsidiary factors which go to build up a perfect commerce. But our manufacturers and exporters possess all the necessary elements to enable them to win the most brilliant success in this branch of our foreign commerce. Happily this is so, for while the European merchant is directed and aided to reach the foreign markets in many essential ways—for that which is the life of all countries, commerce, appeals to those governments for favorable legislation as a first duty,—the American must inaugurate, introduce, and develop the foreign commerce of his country as though it were wholly a personal speculation in which the nation at large had no interest."

We must develop our commerce, go abroad, study the wants, the tastes, the modes of business of respective countries, adapt ourselves to each case. The patterns, designs, weight, measures, widths, lengths, packing and folding of dry goods, etc., etc., all

are different in different countries,—all these things must be considered. These are matters of accommodation, they cost but little, but they often determine a trader's preference for British or other goods even if the price be higher than ours. Many and various are the points that militate against us ; they have to be investigated and may be a fruitful subject of further argument, but I cannot dwell upon them here. I only wish to demonstrate the great strength of our competitive capacity as well as our weak spot,—the tariff on raw materials, heaviest duties on crudest fabrics and smallest on finest fabrics, discouraging the development of the latter till it seems almost impossible to engage in them.

The extension of exports in manufactures is imperative from another point of view. Our exports in cereals and provisions amount to \$300,000,000 ; our exports of manufactures of all sorts (including boards, laths, shingles, etc.) about \$100,000,000. Our cereals and provisions are bought only by England, Germany, and France. All other countries, if industrial, produce sufficiently for their home demand, or, if agricultural, are eager competitors with us for the trade of the above-named buyers of food supply. Germany and France are endeavoring hard to keep our grain and provisions from the mouths of their poor by laying restrictive laws against the imports of our stores. England is certainly doing her best to develop the resources of India and Australia, which are beginning to become very formidable competitors of our agriculturists. The impending doom of the present land laws of Great Britain, the more than probable substitution of proprietary farming for tenant farming, will undoubtedly throw a great deal of now unproductive soil into the cultivators' hands. The black soil of the Sarmatian plain, and the Hungarian wheat-fields, all the blessed rich lands from the Ural Mountains to the Adriatic Sea, only wait for the iron-horse and the steam-boat to induce the dwellers of these vast tracts of most fertile soil to rise from their lethargy and become our most formidable rivals. Even now the Russian Government is maturing a plan for the organization of a railroad system which, if executed, will do more for the development of this vast realm than conqueror or statesman has ever done for Holy Russia since the Tartar invasion. The locomotive and

steam-ship have made sad havoc with the Malthusian theory, this cosy refuge of *laissez-faire's* dull complacency. Every spot of the globe held by civilized government is now tributary, or likely to become tributary, to the food-wants of any country. The highwaymen of our food-exchanges, the "cornerers" of the daily bread of the poor, are giving constant cause to other countries for endeavoring to find more satisfactory sources of supplies, sources that are not so apt to be stopped or interfered with at the command of a chieftain of the stock or the produce exchange. It is much more difficult to get back a trade once lost than to create one new. To show the possibilities of the yield of the above-mentioned new sources of supply, I may state that the exports of cereals of Russia, Austria, India, Australia, and Canada, which were in 1870 \$140,000,000, rose to \$350,000,000 in 1880, and although India had not more than 9,875 miles of railroads in 1881, yet her exports of wheat rose from \$5,500,000 in 1880 to \$43,000,000 in 1882.* Meantime our exports in bread-stuffs, which were \$285,000,000 in 1880, declined to \$185,000,000 in 1882, and \$207,000,000 in 1883.

The American farmer may be obliged one of these days to depend on the home market, which only a fully developed export of manufactures can give him. Wise statesmanship will take these matters into serious consideration and will help to supplant a line of commerce which may be fading away from us even now, by one far more enduring and remunerative to the present and to future generations.

* Statistical Abstract for Colonial Possessions of the United Kingdom, 1867 to 1881.

Number of operatives employed and pounds of raw materials consumed in textiles by the United States, Great Britain, and Germany.

	A.—COTTON.				B.—WOOL.				C.—FLAX.			D.—SILK.		
	.000 Omitted.		Pounds consumed.	Pounds per operative.	.000 Omitted.		Pounds consumed.	Pounds per operative.	.000 Omitted.		Pounds consumed.	.000 Omitted.		Pounds per operative.
	No. of operatives.	No. of operatives.			No. of operatives.	No. of operatives.			No. of operatives.	No. of operatives.		No. of operatives.	No. of operatives.	
United Kingdom	² 482.	¹ 1,404,000.		2,914	² 265.	¹ 338,000.		1,275	¹ 227,000.	² 41	¹ 2,900.	² 41	¹ 2,900.	71
United States	⁴ 172.	⁴ 750,000.		4,350	⁴ 195.	⁴ 320,000.		1,640	¹ 45,000.	⁴ 31.	⁴ 2,700.	⁴ 31.	⁴ 2,700.	87
" "	⁵ 250.	⁵ 65,000.												
Germany 1, 3	250.	300,000.		1,200	195.	190,000.		975	145,000.	203.	715	77.	4,500.	59

¹ Mulhall, "Dictionary of Statistics." ² Report to Parliament, 1883, part xi., page 441. ³ "Das deutsche Wirthschaftsjahr 1881" (The German Economic Year 1881); Report of Secretary-General of Chambers of Commerce; also see Statistical Almanac for the German Empire, 1883. ⁴ Census Reports of 1880. ⁵ Other industries, in which cotton is principal material, but not classed as specific cotton industries. See Census Bulletin No. 300.

Textile fibres consumed by England, United States, and Germany in 1880.						Productive capacity of one operative in the United States, Great Britain, and Germany, taking 100 as the unit of the United States.					
	.000 Omitted.				Total Fibres, Million Pounds		Cotton, lbs.	Wool, lbs.	Flax, Jute, and Hemp, lbs.	Silk, lbs.	
	Cotton, lbs.	Wool, lbs.	Flax, Jute, and Hemp, lbs.	Silk, lbs.							
United Kingdom .	1,404,000.	338,000.	796,000.	2,900.	2,541	United States	100	100		100	
United States . .	815,000	320,000.	45,000.	2,700.	1,183	United Kingdom	67	77		81½	
Germany	300,000.	190,000.	200,000.	4,500.	695	Germany	27½	60		63	

THE NEW YORK FREE-TRADE CLUB.

INCORPORATED FEBRUARY, 1878.

OFFICERS FOR 1883.

President : EVERETT P. WHEELER.

Vice-Presidents :

JOHN R. McNULTY,	JAMES M. CONSTABLE,
CHARLES H. MARSHALL,	HORACE WHITE,
E. J. DONNELL.	

Treas. : LE GRAND LOCKWOOD. *Ass't Treas.* : JOHN C. LLOYD.

Secretary : POULTNEY BIGELOW, 39 Nassau Street.

TRUSTEES :

ELECTED FOR THREE YEARS EACH.

CAPT. JOHN CODMAN,	THOMAS HOLLAND,
ANSON PHELPS STOKES,	EVERETT P. WHEELER,
FRANCIS O. FRENCH,	JOHN S. KENNEDY,
PROF. GEORGE B. NEWCOMB,	CHARLES TRACY,
GEO. HAVEN PUTNAM,	H. B. B. STAPLER.

EXTRACTS FROM CONSTITUTION.

ARTICLE II.—OBJECTS.

The business and objects of the Club shall be :

First : The study and discussion of questions in political economy, especially such as relate to the Laws of Trade, and the diffusion of information thereon.

Second : The formation of a public opinion that will secure Congressional action toward freedom of commercial intercourse.

Third : The furthering the establishment of similar associations, and of fraternal relations with them, and the promotion of social intercourse among its members.

ARTICLE III.—PLATFORM.

THE NEW YORK FREE-TRADE CLUB holds :

First : That the only commercial policy which is in its nature permanent and unchangeable, and which, therefore, assures stability in all kinds of business, is free trade between nations as between the States of the Union.

Second : That the only tax on imports which should ever be tolerated by a free people is a tariff for revenue only.

Third : That the greatest burden now borne by the American people is the unjust and unequal system of taxation called a protective tariff.

The Club invites the membership and coöperation of all advocates of revenue reform to the following immediate purposes: I. To secure legislation which shall place upon the free list the raw materials required for American manufactures. II. To effect the gradual reduction of duties upon manufactured articles until every exactment is repealed which gives a bounty to the manufacturer at the expense of the consumer.

It expects by this means to secure the abolition of all taxes which are levied upon the whole people to swell the profits or make good the losses of a comparatively small portion of the people.

It believes, further, that through the reduction of the cost of raw materials and the removal of the present artificial restrictions upon foreign trade, American manufactures will be placed in a position to compete for the markets of the world.

The annual dues of the Club are five dollars. Members are entitled to one copy each of all the publications of the Club.

CHEAP FREE-TRADE LITERATURE.

Creed of Free Trade. D. A. Wells. N. Y.	\$0 10
The Protective System: What it Costs the American Farmer. G. McAdam. N. Y.	10
Free Trade <i>vs.</i> Protection. H. J. Philpott. Iowa	10
Freer Trade Essential to National Development. D. A. Wells. Brooklyn	10
History of the Free-Trade Struggle in England. Gen. M. M. Trumbull. Iowa	25
Slavery <i>vs.</i> "Protection." E. J. Donnell. N. Y.	10
Friendly Sermons to Protectionist Manufacturers. J. S. Moore. N. Y.	25
Our Revenue System and the Civil Service. A. L. Earle. N. Y.	25
Free Ships. Capt. J. Codman. N. Y.	25
Why we Trade, and How we Trade. D. A. Wells. N. Y.	25
The Tariff Question. Horace White. N. Y.	25
Protection and Wages. Graham McAdam. N. Y.	05
The Destructive Influence of the Tariff upon Commerce and Manu- factures. By J. Schoenhof, N. Y.	40
Wages and Trade in Manufacturing Industries in America and in Europe. By J. Schoenhof, N. Y.	25

The above and a great variety of minor leaflets can be had at low prices by the hundred, on application to the Secretary of the N. Y. Free-Trade Club.

Readers desiring to go further in economic and political literature are referred to the classified descriptive list of books on "Political Economy and Political Science," published in a 25-cent pamphlet by the Society for Political Education (Worthington C. Ford, Sec'y, 4 Morton Street, New York City). A Pamphlet of "Subjects and Questions" for debate on these topics is also published by that Society, at 10 cents.

The *American Free Trader* is published mid-monthly, at 50 cents a year, by A. L. Earle, 137 Broadway, New York.

The books and leading pamphlets scheduled may be had by post, on receipt of price, from G. P. PUTNAM'S SONS, 27 West Twenty-third Street, New York, or through most booksellers, or from the Secretary of the New York Free-Trade Club.

POULTNEY BIGELOW,
Secretary of the New York Free-Trade Club,
39 Nassau Street, New York.

LITHOMOUNT
PAMPHLET BINDER

Manufactured by
GAYLORD BROS. Inc.
Syracuse, N. Y.
Stockton, Calif.

UC SOUTHERN REGIONAL LIBRARY F



AA 001 008 214

